

A Work Project, presented as part of the requirements for the Award of a Master Degree in International Management from the NOVA School of Business and Economics.

How to position a new high-end sportswear brand, **Recto Verso Sports**, within the new paradigm of the luxury fashion market

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Abstract

This dissertation revolves around the new paradigm of the luxury fashion market which is the consequence of the rising athleisure trend through an increasing cross-sector convergence between sportswear brands and luxury fashion. (Woodworth, 2018) Athleisure is the fastest growing clothing category in fashion (Allied Market Research, 2019) and can be defined as “casual clothing designed to be worn both for exercising and for general use”. (Merriam Webster, 2019) Recto Verso Sports is a new Belgian high-end sportswear brand tapping into the rising athleisure trend by offering a collection that covers multiple categories being sportswear, athleisure wear and fashion. As a newcomer in this highly competitive market and because of operating in different categories of the fashion industry, Recto Verso faces difficulties in finding the right positioning for the brand. Therefore, the goal of this work project is to answer the following research question ‘How to position a new high-end sportswear brand **Recto Verso Sports** within the new paradigm of the luxury fashion market’.

First, literature research was conducted followed by qualitative market research through in-depth interviews and focus groups. This research shows that the growth of athleisure is driven by wellness aspirations, celebrity endorsement on social media (Woodworth, 2018) and a search for comfortable yet fashionable (luxury) clothing. Furthermore, collaborative capsule collections are the expression of sportswear brands going more and more into luxury fashion and vice versa, contributing to the rising luxury athleisure trend. (BCG-Altagamma, 2019) Luxury athleisure is considered a fashion statement delivering both substance and status and is generally not used to conduct sports. Recto Verso should position itself as a luxury sportswear/athleisure brand that also delivers status next to the substance it already delivers through its superior quality and comfort.

4 Keywords: Athleisure; Luxury fashion; Sportswear; Brand Positioning

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1. Introduction

The rising luxury athleisure trend has led to far-reaching convergence between sportswear and luxury fashion, resulting in the new paradigm of the luxury fashion market. (Woodworth, 2018) Athleisure is trending within the fashion industry (Allied Market Research, 2019) and can be defined as “casual clothing designed to be worn both for exercising and for general use”. (Merriam Webster, 2019) Following this trend, Camille Liebaert launched Recto Verso, a Belgian luxurious sportswear brand active in multiple categories being sportswear, casual/athleisure wear and fashion. Recto Verso is a subsidiary of Liebaert Textiles, a family owned company of which Camille makes out the 5th generation. Liebaert Textiles is a high-end fabric manufacturer with international presence. With Recto Verso Sports the company pursues a *Business2Consumer* approach for the first time. As a newcomer into the competitive world of Athleisure and sportswear, Recto Verso struggled to find a right positioning for the brand due to its presence in different categories of the fashion industry. The difficulties Recto Verso faced as a new entrant fascinated me, which in turn inspired me to follow up more closely and use the start-up as a case study for my master thesis.

The goal of this project is to explore and recommend how Recto Verso should position itself within the new organization of the fashion market where luxury athleisure is taking a prominent position. The focus of this direct research will lie on the luxury athleisure trend, where luxury fashion brands and sportswear brands are meeting one another, leading to new market constellations. (Passport, Euromonitor International, 2017)

2. Contextual Background

2.1. The new paradigm of the luxury fashion market

Luxury fashion and athletic wear are no longer two distinct worlds. The rise of luxury athleisure wear has led to an increased cross-sector convergence between sportswear and luxury.

(Woodworth, 2018) This has given rise to new market constellations where sportswear manufacturers are competing with luxury fashion companies. (Klingelhöfer, 2017) (Woodworth, 2018) The designer and luxury fashion brands are taking a keen interest in sports, whereas athletic brands have been placing greater emphasis on design and luxury, leading to the rise of luxury athleisure apparel. (Passport, Euromonitor International, 2017) The blurring boundaries between sportswear and the luxury fashion industry is reshaping the market, leading to a new pyramidal structure of the fashion industry in which sportswear and athleisure should both be included. The pyramidal structure of the fashion industry is a way to segment markets based on price. (Corbellini & Saviolo, 2009) In fashion, following price segments are commonly recognized: mass fashion, premium industrial brands, diffusion collections, designer collections, demi couture and haute couture. Moving from haute couture to mass fashion, the importance of elements such as stylistic creativity, product innovation and the ‘dream factor’ decreases in favor of aspects such as the price, volumes and efficiency of the supply chain. (Corbellini & Saviolo, 2009) The entrance of the (luxury) athleisure and sportswear segments in the fashion industry is reshaping this pyramid, leading to a new paradigm of the (luxury) fashion market which can be seen in **Appendix I**.

2.2. Recto Verso

Recto Verso Sports is a Belgian high-end sportswear brand found by Camille Liebaert and is the culmination of over 130 years of Liebaert Textiles’ savoir-faire along with Camille’s passion for luxurious sportswear. Recto Verso originally began as a sample-size confection lab in the quest for performance-enhancing fabrics for athletes. (Recto Verso Sports, 2019) Today, the brand offers a range of luxurious sportswear and athleisure products that can be perfectly worn for the gym, work or as casual wear. Recto Verso’s products have a relatively high price point (ranging from €95 to €305) targeting more affluent women of different generations who would like to work and work-out in the same outfit. (Recto Verso Sports, 2019) (Liebaert C. , 2019) The collection is defined by superior quality fabrics, sophisticated designs, sustainable

production and smart technology to enhance physical performance. (Recto Verso Sports, 2019) (Liebaert C. , 2019) Recto Verso's slogan 'Le Chic et Le Choc' encompasses the duality to be found in a Recto Verso consumer, being her feminine and elegant side combined with her sporty, daring and adventurous side. (Liebaert C. , 2019) The brand has decided to opt for a slow fashion approach resulting in only one collection per year. In addition, Recto Verso has a strong focus on sustainability while at the same time benefiting from vertical integration as everything from the design over the production, the fabrics and the confection is taking place at the headquarters in Deinze, Belgium. This strengthens the founders' belief that their clothing is not only better for the customer, but also for the environment and for their people involved in production. (Statius, 2019) (Recto Verso Sports, 2019) Recto Verso has tried to increase brand awareness by opening two pop-up stores (one in Antwerp and one in Knokke) which have a rather provocative interior including motorcycles and state-of-the-art fitness equipment. Besides, Recto Verso uses micro-influencers to increase awareness and whom they reward through Recto Verso clothing. Recto Verso currently has around 2.5K followers on social media. The brand only sells directly to consumer, either through its pop-up stores or through its e-commerce website, resulting in a restricted and fully controlled distribution channel. In addition, the brand organized and participated in countless events including fashion shows held at their headquarters, accompanied by a guided tour.

*Please refer to **Appendix II** for a complete explanation of the features of the Recto Verso products and for images of the 'Collection One' campaign, the pop-up store & a fashion show.*

2.3. Athleisure

2.3.1. Definition

Athleisure is the contraction of the words 'athletic' and 'leisure' and is defined as "casual clothing designed to be worn both for exercising and for general use". (Merriam Webster, 2019) (Woodworth, 2018) It is an athletic-inspired way of dressing rooted in joggers, leggings, tank tops and sneakers that is designed to be worn for exercising, streetwear and daywear. (Amed &

Berg, 2017) Today athleisure items are increasingly designed to be worn for everyday wear rather than for athletic performance. (Woodworth, 2018) (Passport, Euromonitor International, 2017)

2.3.2. The market

The sportswear market was worth \$323 billion in 2017 and represents about 18% of the global apparel and footwear market. (Mistry & Trusell, 2019) Sportswear is the fastest growing category within the fashion industry and is expected to continue to outpace the overall apparel and footwear industry. Large part of this continued growth can be attributed to the proliferation of athleisure. (Passport, Euromonitor International, 2017) While the global activewear market is expected to grow at an average annual growth rate of 6.5% between 2018 and 2024, reaching nearly \$547 billion by 2024, the overall fashion industry is expected to grow at an average annual growth rate of only 4% and luxury fashion in particular at a rate of only 4.5%. (Allied Market Research, 2019) (Woodworth, 2018) The global athleisure market is estimated to progress at a CAGR of 7% during the forecast period 2019-2023, reaching \$122.66 billion by 2023. (Technavio Research, 2019) (Amed & Berg, 2017) (CAGR: Compound Annual Growth Rate: “the rate of return that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each year of the investment’s lifespan.” (Investopedia, 2019)) The trend will be further evolving across all apparel and footwear categories as the technical attributes of sportswear merge with the aesthetics of fashion. (Passport, Euromonitor International, 2017) The expected growth rate of the activewear market is significantly impacting high-end fashion as consumers are increasingly adopting the athleisure trend in their dress code. (Woodworth, 2018) (Mistry & Trusell, 2019) For the coming years, large part of the growth is expected to come from relatively underpenetrated emerging markets such as China and India, who are considered massive opportunities for sportswear brands. (Mistry & Trusell, 2019) In China, the luxury athleisure trend only became fashionable quite recently. Moreover, Euromonitor International states sportswear sales grew faster in China than sales of luxury goods for the past five years. (Rapp, 2017) China overall is estimated to become the largest athleisure consumer

market by the end of 2020. (Rapp, 2017) (Woodworth, 2018) The Chinese market will be crucial to driving growth in the short-to-medium term, while India is a longer-term opportunity. (Mistry & Trusell, 2019)

2.3.3. Key factors affecting the growing demand for athleisure

i) Rising health consciousness and sports participation

The rise in health consciousness and the increasing interest in sports, fitness and wellness across all generations have boosted the demand for activewear/athleisure apparel. (Mistry & Trusell, 2019) (Woodworth, 2018) (Passport, Euromonitor International, 2017) (Das & Prasannan, 2018) Millennials and Generation Z consumers in particular, are very focused on fitness and health, while at the same time they have created a broader definition of being active. (Millennials: people born from 1980 to 1994 (McKinsey, 2019); Generation Z: people born from 1995 to 2010 (McKinsey, 2019)) Living a healthy life is no longer limited to attending the gym, but rather has become an all-encompassing lifestyle choice and a new status symbol. (Woodworth, 2018) (Passport, Euromonitor International, 2017) (Gelles, 2017) (Chitrakorn, 2017) This combined with a growing interest with social media have pushed younger affluent consumers embracing luxury athleisure to adopt a share-worthy active lifestyle that is aspirational for others. (Woodworth, 2018) (Passport, Euromonitor International, 2017)

ii) Blurring boundaries between (luxury) fashion and sportswear

The athleisure trend has led to an increasing merge between (luxury) fashion and sportswear. (Mistry & Trusell, 2019) The eroding distinction between activewear and daywear is resulting in a new streetwear fashion trend where sportswear has become increasingly acceptable as everyday clothing. (Bruun & Langkjær, 2016) (Woodworth, 2018) As a consequence Millennials show increasing interest for classic retro styles in running, training and footwear products, which is driving the rebirth of classic streetwear brands such as Reebok, Champion and Fila. (Woodworth, 2018) (Adams, 2016) Furthermore, the blurring boundaries between fashion and sportswear have led to the mass adoption of luxury athleisure, bringing the trend at

the forefront of high-end fashion. Items that were once focused on performance and functionality have been given a designer reinterpretation while at the same time luxury items have been given a more casual, sportswear and streetwear reinterpretation. (Woodworth, 2018) (Passport, Euromonitor International, 2017) An expression of this is the rising Mix & Match trend where modern consumers are combining traditional luxury brands with sportswear brands. The Mix & Match trend is identified as one of the main trends in the luxury industry and has the greatest impact on the Gen Z consumers. (BCG-Altagamma, 2019) Moreover, sportswear and luxury fashion are increasingly cooperating through designer collaborations leading to sport luxe detailing, luxury sportswear and the widespread adoption of luxury sport-style garments in everyday settings. (BCG-Altagamma, 2019) (Woodworth, 2018) (Passport, Euromonitor International, 2017) The blurring boundaries between fashion and sportswear are also a direct consequence of today's casualization in dress codes. Over the past decade it has become more socially acceptable to wear casual, and in some cases sportswear clothing, to formal occasions or events. (Passport, Euromonitor International, 2017) Furthermore, the fashion component that is to be found in today's activewear has increased market sales, especially for women, who drove a majority of consumer spending within this market. (Chitrakorn, 2017) Sportswear has evolved from plain designs and neon prints to more high-quality, credible design aesthetics that reflect trends without minimizing the high-performance functionalities. (Passport, Euromonitor International, 2017) This has enabled brands, including major players like Nike, Adidas and Under Armour, to expand their audience, capturing the attention of female consumers who want to work out and look good while doing so. (Chitrakorn, 2017) (Sherman, 2014)

iii) Celebrities' lifestyle make athleisure mainstream

Celebrities like Beyoncé, Kendall Jenner, Kanye West, Rihanna and Rita Ora, have transformed the perception of activewear and made it a hit fashion statement. (Woodworth, 2018) Brands use these celebrities' existing reputations as fitness symbols and arbitrators of cool to reach

their vast fan-base and make athleisure more mainstream. (Passport, Euromonitor International, 2017) (Chitrakorn, 2017) Some celebrities like Venus Williams (Eleven), Kloe Kardashian (Good American), Beyoncé (Ivy Park), Kate Hudson (Fabletics) even came out with their own athleisure brand. (Woodworth, 2018) (Passport, Euromonitor International, 2017)

iv) Social media

Millennials and Gen Z consumers are characterized by a high social media interaction through which they are highly affected by what social media influencers wear and the brands they decide to embrace. (Influencer: “a person who is able to generate interest in something (such as a consumer product) by posting about it on social media” (Merriam-Webster, 2019)) Over 90% of both Millennials and Gen Z consumers use social media to interact with (luxury) brands, bloggers or social media peers regarding (luxury) brands and products. (BCG-Altagamma, 2019) The relevance of influencers in shaping the consumers’ purchase decisions continues to increase and this has also affected the athleisure trend. (Woodworth, 2018) Social media has been a core component in fueling the athleisure boom as it delivered the social status that accompanies working out and adopting a healthy lifestyle. The use of social media by personal trainers, fitness brands, wellness lifestyle bloggers, celebrities and brands to promote active lifestyles has sustained interest in health and wellness and increased the sales of athleisure apparel drastically. (Passport, Euromonitor International, 2017)

v) Better athletic fabrics, Higher disposable income, Green textile, Urbanization, Streetwear

The availability of better athletic fabrics thanks to advances in technology such as breathability, quick drying, static resistance, thermal resistance and chemical resistance of the clothing has led to increased market sales of athleisure apparel. (Sherman, 2014) Furthermore, increase in disposable income leading to wealth creation and an emerging middle class population also led to an increasing demand for athleisure apparel. (Mistry & Trusell, 2019) (Das & Prasannan, 2018) Besides, the increase in use and development of green textile and manufacturing and its

use in the formulation of activewear is expected to further attract green consumers, which is anticipated to provide lucrative opportunities for the market expansion. (Allied Market Research, 2019) (Das & Prasannan, 2018) In addition, athleisure apparel answers the needs of the growing global urban population who's day-to-day activities vary, demanding apparel and footwear they can wear in several aspects of their life including commuting, working and working-out. (Passport, Euromonitor International, 2017) (Sherman, 2014) (Woodworth, 2018) Lastly, the proliferation of streetwear is intrinsically linked to the rise of athleisure and both trends continue to influence one another. (Passport, Euromonitor International, 2017)

2.4. Luxury fashion brands & athleisure

2.4.1. Luxury definition

According to Kapferer a luxury item can be defined through six different dimensions. A luxury item is a very qualitative hedonistic product made to last (1), at a price that exceeds what functional values command (2), tied to heritage, know-how and culture (3), available in restricted and controlled distribution (4), offered with highly personalized services (5) and acting as a social stratifier giving the consumer a sense of privilege (6). (Kapferer, 2015, pp. 130-131) Considering the different approaches to the luxury business model, the new luxury paradigm is most applicable to what luxury fashion brands going into athleisure are doing. According to the new luxury paradigm, luxury should deliver two aspects: substance and status. Substance means the luxury product needs to deliver an individual pleasure, whereas status means the luxury product needs to have a social function being its use as a social statement. (Silveira C. d., 2019)

2.4.2. Luxury fashion trends affecting athleisure

Luxury casualwear is currently affecting 74% of the luxury consumers and is estimated to keep on growing as the casual approach to social and professional occasions continues to increase. (BCG-Altgamma, 2019) As the line between activewear and daywear blurs, luxury fashion brands are further expanding their collections and marketing to answer the demand for high-

end athleisure outfits. Streetwear athleisure trends have deeply influenced luxury fashion driven by modern affluent consumers' desire to balance comfort and style. Younger affluent shoppers in particular, are seeking comfort, variety and innovative designs with a touch of tech. (Woodworth, 2018) More than 50% of both Millennial and Gen Z luxury consumers have partially shifted spending from traditional luxury brands to premium, niche and sports brands (Mix & Match). (BCG-Altgamma, 2019) As a result, luxury brands including Dior, Louis Vuitton and Chanel are introducing new athleisure couture collections, line extensions and premium footwear as they see great potential in answering the increasing demand for luxury casualwear. (Woodworth, 2018)

i) Collaborative capsule collections

Collaborations is identified as the most emerging trend of the luxury sector. Overall the awareness among luxury consumers about collaborations has reached over 90%, with 50% of the true-luxury consumers purchasing collaborations. (BCG-Altgamma, 2019) The trend is mainly driven by younger consumers as more than 60% of both Millennials and Gen Z luxury consumers purchase items from collaborations. (BCG-Altgamma, 2019) Handbags and sneakers dominate collaborations and special edition purchases, followed by formal shoes, backpacks and T-Shirts. The influence of athleisure and streetwear on luxury becomes clear when looking at the top-purchased collaborations, being Louis Vuitton & Supreme, Adidas & Yeezy, Chanel & Pharrell, Nike & Off-White and Fendi & Fila. (Woodworth, 2018) (BCG-Altgamma, 2019)

ii) Sneakers

According to consultancy firm Bain & Co., global sales of sneakers rose 10% to 3.5 billion euros in 2017. (Segreti, 2018) Sneakers are the fashion industry's fastest growing area and have become the fastest growing category for most luxury brands. (Lyst, 2019) The rise of luxury sneakers is part of the growing influence of casual and streetwear in high-end fashion and is lifting the entire footwear market by itself. (Woodworth, 2018) High-end brands such as Gucci,

Prada and Balenciaga are increasingly looking to sneakers for growth, putting them in direct competition with sportswear giants like Nike, Puma and Adidas, giving rise to ever-more striking and expensive designs. (Segreti, 2018) Collaborations between luxury brands and sportswear brands (e.g. Chanel x Pharrell or Nike x Off-White) emphasize the interest of both in the sneaker trend. Once again, growth is mainly driven by younger consumers. (BCG-Altgamma, 2019)

2.4.3. Main players

Some luxury players have been successful in embracing and adopting the increasing influence from athleisure and streetwear into their collections. They did so by taking into account the previously discussed trends that impacted the athleisure trend such as the influence from celebrities, the blurring boundaries between sportswear and luxury, the growing interest for collaborations and the impact of social media. These luxury brands all have been increasingly focusing on younger consumers, mainly Millennials but also Generation Z consumers. Millennials and Gen Z consumers currently account for approximately 32% of the personal luxury market, of which luxury athleisure is an integral part. (BCG-Altgamma, 2019) Baby Boomers (born between 1944 and 1964) and Gen X (born between 1965 and 1979) account for respectively around 30% and 38% of the market. (D'Arpizio & Levato, 2018) Millennials and Gen Z have contributed 85% to growth in the luxury market in 2017 and 100% in 2018, according to consultancy firm Bain & Co. (D'Arpizio & Levato, 2018) Between 2018-2025 130% of the market growth is estimated to come from both Millennials and Gen Z, whom will then account for approximately 55% of the personal luxury consumers. (D'Arpizio & Levato, 2018) Though Gen Z represents only 4% of the personal luxury market today, their different behaviors and values are more likely to play an important role in the future of luxury. Examples of these are their high interest in purchasing items from collaborations, their heavy social media use to interact with luxury brands and their increasing interest in sports brands as part of the Mix & Match trend. (BCG-Altgamma, 2019)

i) Gucci

Gucci has successfully shifted its focus to Millennials, with more than half of its consumers aged under 35, while under-24-year-olds are the brand's fastest growing consumer segment. (O'Connor, 2019) (Business of Fashion, 2018) (Reuters, 2017) This growth can be largely attributed to the luxury brand's focus on 'entry-level' products appealing to younger consumers and in line with the luxury casualwear trend. These lower priced hero products including the Ace sneakers, the logoed belt and T-shirt, both playing into the logo mega-trend, have made the brand more inclusive of younger consumers. (O'Connor, 2019) Furthermore, Gucci has high online engagement rates with a strong focus on Instagram, with 62.6m followers Gucci is the second most followed brand after Nike, where powerful celebrities and influencers endorse the brand and its products. (Lyst, 2019) The combination of its very high digital reach, contributing to the brand's aspiration, with comparatively affordable prices makes Gucci reach consumers that are typically unable to afford luxury products. (Business of Fashion, 2018) (Bloomberg, 2018) Gucci was nominated the 'hottest fashion brand in the world' in the Lyst Index in 2017 and currently occupies 3rd position after Off-White and Balenciaga. (Business of Fashion, 2018) (Lyst, 2019)

ii) Off-White

Off-White, launching its first collection Spring 2014, is a luxury streetwear label that combines American 'haute streetwear' with Italian savoir-faire as production is based in Milan. (Business of Fashion, 2018) (Kansarz, 2018) The aura of the founder and creative director Virgil Abloh is one of the key success factors of the brand. The creator's disruptive view on luxury, taking advantage of the richness and increasing popularity of the streetwear concept, has led to a new segment in the luxury sector. The brand has partly reshaped the luxurious fashion industry by stigmatizing the traditional signifiers of success and pushing the proliferation of casual dress codes. (Morency C. , 2016) (Kansarz, 2018) Other success factors of the brand are the strong social media presence of both Off-White and Virgil Abloh, boosted by the presence of well-

known brand lovers such as Justin Bieber, the Kardashians, Kanye West, Rihanna, A\$AP Rocky and Gigi Hadid. (Morency C. , 2016) (Kansarz, 2018) This approach allows the brand to build an online community, mainly consisting of Millennials and Gen Z consumers, and reach untapped audiences. Furthermore, Off-White is known for its many successful collaborations with other brands like Moncler, Levi's, Vans, Nike ('The Ten'), Converse, Umbro and Louis Vuitton. (Hodge, 2017) (Fesher, 2018) (BCG-Altagamma, 2019) The success has led to the appointment of Virgil Abloh as Louis Vuitton's artistic director of menswear in 2018 and to Off-White being named the 'hottest fashion brand in the world' in the Lyst Index in that same year. (Kansarz, 2018) (Lyst, 2019)

iii) Balenciaga, Louis Vuitton, Prada, Raf Simons

Luxury streetwear label Balenciaga, like Gucci part of the Kering luxury group, is widely known for its top selling (sock) sneakers ('Speed Boot', 'Triple S') and logo hoodies and T-shirts. (Bloomberg, 2018) The appointment of creative director Demna Gvasalia, former creative director of Vetements, had a very positive impact on the brand thanks to his couture sensibility towards streetwear and his aura being an aspirational personality followed by many Millennials on social media. (Amed, 2019) Balenciaga became very popular among young luxury consumers with 65% of its consumers being Millennials, accounting for 50% of the brand's total sales. (Business of Fashion, 2018) Besides following the luxury athleisure and streetwear trend, Balenciaga has strong presence on social media with a main focus on Instagram. (Amed, 2019) (Business of Fashion, 2018) (Lyst, 2019) Louis Vuitton in turn has been relentless with its engagement with Millennials, making it one of the preferred luxury brands among this age group. (Shannon, 2018) One of the key success factors for Louis Vuitton has been the appointment of Virgil Abloh as creative director of Louis Vuitton's menswear. (Bloomberg, 2019) (The New York Times, 2018) Prada as well has been expanding its product and price ranges by focusing more on combining haute-couture, ready-to-wear and streetwear tapping into the urbanization of luxury. This included a revival of the Linea Rossa sportswear

collection. (Shannon, 2018) (Sherman, 2018) Raf Simons, former creative director of Dior and currently running his namesake label, has been working with Belgian-Australian snowboard and ski brand Templa for the latter's new collection. (Business of Fashion, 2019) The collaboration is aimed at sports-oriented as well as fashion-forward consumers. Celebrities like A\$AP Rocky and Billie Eilish are famous endorsers of the collaboration. (Demeulemeester, 2019)

2.5. Sportswear brands' strategy into the luxury fashion

2.5.1. Overview

Presented with the athleisure opportunity, sportswear brands have sought to build fashion credentials by collaborating with high-profile designers just as luxury brands did with sportswear brands. Collaborations between sportswear brands and designers are intensifying and multiplying in a continuous effort to offer consumers hype and novelty, as Millennials and Gen Z seek to be distinct from others, showcasing this both online and offline. (Passport, Euromonitor International, 2018) Conversely, for luxury fashion houses, collaborating with sportswear brands is a way to appeal to a wider demographic and benefit from the 'cool factor' associated with sportswear. (Passport, Euromonitor International, 2018) As with luxury brands, sportswear brands make use of influencers and celebrities to endorse the athleisure trend with a strong focus on social media. (Passport, Euromonitor International, 2017) Following players have been successfully adopting the athleisure trend, often by going more into luxury.

2.5.2. Main Players

i) Nike

Nike is currently the market leader in both men's and women's activewear. (Passport, Euromonitor International, 2017) With increased competition coming from luxury brands as a result of the athleisure trend, Nike in turn launched several collaborations and capsule collections going more into luxury fashion in order to build fashion credentials. (Passport, Euromonitor International, 2017) Nike launched a very successful collaboration with Virgil

Abloh's Off-White encompassing a redesign of ten iconic sneaker models of the sportswear giant ('The Ten'), helped by the endorsement of celebrities/influencers like Bella Hadid and Wiz Khalifa. (Morency C. , 2017) Nike also teamed up with several other major designers including Riccardo Tisci (Burberry), Kim Jones (Louis Vuitton, Dior) and Olivier Rousteing (Balmain). (Passport, Euromonitor International, 2017) (Gorsler, 2017) (Mark, 2017) Furthermore, Nike launched capsule collections in cooperation with American musicians Kendrick Lamar and DJ Khaled for the (re)design of some of its sneakers, but also with luxury (streetwear) fashion brands including Sacai, Martine Rose, A-Cold-Wall, Heron Preston, Parra, Dior and Alyx for the design of both luxury sportswear/athleisure and sneakers. (Gorsler, 2019) (Gorsler, 2019) (Johnson, 2015) (Unwin, 2019) (Morency C. , 2018) (McGarrigle, 2018) (Nembhard, 2018) (Gorsler, 2018) (Morency C. , 2018) Consequently, Nike is the most followed brand in the world with over 137m followers and among the most talked-about brands on social media. (Lyst, 2019) (Passport, Euromonitor International, 2017) *Please refer to Appendix III for examples of Nike collaborations.*

ii) Adidas

The German sports company was an early adopter of crossing over its performance and fashion categories and successfully adopted the athleisure trend through aligning itself with relevant musical artists, fashion designers and emerging sports stars, winning itself cultural credibility from young consumers around the world. (Morency C. , 2018) (Passport, Euromonitor International, 2017) Adidas launched a series of highly successful collaborations with high-end fashion designers including Stella McCartney, Alexander Wang, Raf Simons (Ozweego sneakers) and musicians, including Kanye West (Yeezy collections), Rita Ora and Pharrell for lines of apparel and footwear. (Gorsler, 2019) (Associated Press, 2016) (Lyst, 2019) (Passport, Euromonitor International, 2017) By the end of 2019, Prada and Adidas announced their collaboration focused on sneakers. (Snowden, 2019) Furthermore, Adidas heavily invested in a high social media presence by taking advantage of the vast fan base of celebrities and

influencers they collaborated with including above mentioned designers and artists, but also sports giants and personal trainers to reach consumers mainly targeted by competitors including Lululemon Athletica. (Bloomberg, 2017)

iii) Fila

Fila is an Italian sportswear brand that has been reviving over the recent years thanks to the rise of athleisure and current trends including the ‘dad’ sneaker and the retro aesthetics trend with 90s-inspired apparel and footwear. (Chitrakorn, 2018) Fila’s hit sneaker of the 90s, the ‘Disruptor’, has been one of the most popular women’s shoes of 2018. (Bloomberg, 2019) Furthermore, Fila has been helped by its accessible price point and by celebrities like Kendall Jenner and Rihanna wearing its products, which made the brand popular among the younger generations of consumers. (Bloomberg, 2019) The sportswear brand successfully tapped into the increasing convergence with the high-end fashion industry with different collaborations including Italian luxury house Fendi who borrowed Fila’s typography for its Autumn/Winter 2018 collection, following the logo mega-trend. (Chitrakorn, 2018) *Please refer to Appendix IV for the Fila x Fendi collaboration.*

iv) Lululemon Athletica Inc.

Lululemon is considered one of the pioneers of the athleisure trend, making it acceptable and even chic to wear work-out clothes pre- and post-exercise. It initially began as a woman-focused performance-oriented yoga pants brand, but today the brand expanded into broader female and male athleisure collections, including shoes. (Sherman, 2016) (Segran, 2018) (Sherman, 2014) Lululemon has a significantly higher price point than other activewear brands like Nike and Adidas, which made the brand a status symbol among affluent consumers. (Segran, 2018) The brand made use of a holistic guerrilla marketing approach by using local ‘ambassadors’ like yoga or fitness teachers to build a strong brand equity in communities around the world. (Passport, Euromonitor International, 2017) (Brand equity: “the added value endowed by the brand to products and services: The power of a brand lies in what consumers have seen, read, heard, earned, thought and felt about the brand over

time (=brand knowledge)” (Keller, 2018)) Besides, Lululemon is a heavy user of social media including Instagram, which is one of its main methods of marketing the company and its products. The brand uses a combination of product and lifestyle branding to cultivate loyal followings among millennials. (Morency C. , 2018) Furthermore, Lululemon launched Lululemon Lab, a luxury streetwear brand that should capitalize on the rising interest in high-end streetwear that is strongly attached to sportswear. (Sherman, 2016)

3. Addressing the Work Project topic

3.1. Methodology

Collecting primary data through market research was needed to address the Work Project topic.

(Primary data: Data generated by the researcher for the specific purpose of addressing the research problem (Silveira C. d., 2019)) The primary data was gathered via qualitative research to discover ideas and insights and develop hypotheses, via two techniques: in-depth interviews and focus groups. For the in-depth interviews both athleisure and luxury athleisure consumers were selected along with influencers and experts in the field. There was a stronger focus on luxury athleisure consumers, given Recto Verso is mainly aiming at the more affluent athleisure consumer. Furthermore, the literature review made clear the boom of the luxury athleisure trend can be partly attributed to the endorsement of influencers, therefore a selection of influencers familiar with the trend were interviewed. The experts interviewed were either luxury retail managers or owners of a luxury fashion brand, all familiar with the luxury athleisure trend.

The focus groups were organized in collaboration with Recto Verso and included athleisure consumers, luxury athleisure consumers, sportswear consumers and influencers who are brand ambassadors of Recto Verso. The first focus group mainly focused on exploring Recto Verso’s (potential) consumers’ attitude towards the multiple categories the brand is active in (i.e. fashion, casual/leisure wear and sportswear), whereas the second focus group mainly focused on exploring Recto Verso consumers’ perceptions and evaluations of sportswear brands along with the target audience’s purchase behavior. *Please refer to Appendix V & VI for a thorough*

overview of the composition of the interviewees and focus groups, the interview questions and the discussion guides of the focus groups. The qualitative research was supplemented with social listening, store observations with a focus on luxury stores and secondary research. (Social listening: the process of monitoring digital conversations to understand what customers are saying about a brand and industry online. (analyzing social media, websites, advertisements, ...) (TrackMaven, 2019); Secondary research: Data collected for some purpose other than the problem at hand, either through internal data (e.g. sales reports) and/or external data (e.g. published materials, syndicated services like Euromonitor, ...) (Silveira C. d., 2019))

3.1.1. Key insights from qualitative research

i) Endorsement by influencers, celebrities and luxury brands is key

The qualitative research made clear that the endorsement of the athleisure trend by influencers, celebrities and luxury brands is highly important to consumers.

12 out of 13 athleisure **consumer** interviewees and 13 out of 16 focus group participants have a much higher interest and engagement with (athleisure) brands endorsed by influencers and celebrities. The endorsement of celebrities and influencers including yoga and Pilates teachers, healthy lifestyle influencers and fashionistas, give more credibility to the brand and make them feel more attached to it. These consumers actively follow brand pages, store pages, influencers and celebrities on Instagram as a source for inspiration and for getting to know new brands, trends and products. Examples of influencers mentioned by interviewees: Romee Strijd, Kayla Itsines, Gigi Hadid, Kendall Jenner & Paulien Riemis.

All **experts (5/5)** have noticed the important role luxury brands have played in the acceptance and adoption of the athleisure trend. The adoption of athleisure wear in prêt-à-porter collections by luxury brands like Chanel, Balenciaga, Gucci, Prada, Brunello Cucinelli, Philipp Plein, Moncler, Tod's/Hogan and premium brands like Stone Island, Calvin Klein, Karl Lagerfeld, The Kooples has led to a rise in athleisure across the fashion pyramid as these luxury brands create and nurture the dream and aspiration for consumers. This combined with the endorsement of celebrities who dare to wear athleisure items has made many consumers follow.

It forced retailers to adapt their collections, broadening their offer with sneakers, tracksuits and leggings; items that did not exist in luxury fashion collections before.

All (micro-)influencers (2 interviewees and 4 focus group participants) feel the impact they can have on the purchase decisions of their followers. Many Millennials and Gen Z consumers ask them about their healthy lifestyles and the sportswear or athleisure wear they are wearing, because they consider them experts in the field. To influencers, sneakers and leggings are the most successful athleisure items at the moment.

ii) Not all athleisure is the same

Consumers (11 out of 13 athleisure consumers, 7 out of 8 Focus Group I participants) make a distinction between athleisure and luxury athleisure. Consumers consider luxury athleisure less casual and more as a fashion statement, therefore it can be worn for a broader range of occasions. Luxury sneakers from Gucci (Valentino/Hogan/Philipp Plein/Moncler) for instance are worn for fancier occasions compared to the Stan Smith-like (/Diadora/Nike/Adidas/Vans) alternatives. Besides, consumers are generally not wearing their athleisure items to work-out, especially not when it is luxury athleisure. Luxury athleisure is a pure fashion statement and is not bought to work-out but as daily wear. When consumers really work-out, they will use more specific (luxury) sportswear. The less luxury, the stronger the multi-use of the athleisure items is. Leggings from brands like Oysho, H&M or LoveStories for instance are often worn both as sportswear and athleisure. The multi-use of athleisure and sportswear is enforced by the increasing fashion impact on sportswear brands. Nike for instance, was mentioned by 5 different consumers as a sportswear brand that is also considered a fashion statement.

iii) Consumers seek comfort and a fashion statement

Generally speaking, **experts (5/5)** feel the athleisure trend is here to stay because consumers are getting used to the comfort it is bringing to their clothing, making it difficult to return to the uncomfortable alternatives. Comfort is considered one of the main reasons for buying athleisure (e.g. Hogan sneakers, Gymshark leggings), along with the fashion component. Luxury brands

are offering more comfort (next to fashion), whereas sportswear brands are offering more fashion (next to comfort).

Consumers (13/13 athleisure interviewees; 12/16 focus group participants) value a lot the comfort athleisure wear brings, which gives them a more confident feeling. They do not feel underdressed when wearing athleisure, especially not the younger consumers as they feel athleisure as daily wear is widely accepted. The same accounts for consumers wearing luxury athleisure as for them athleisure is a fashion statement. 7 out of 8 Focus Group I participants agreed with the statements 'Sportswear can be considered fashion' and 'Fashion can be considered sportswear' and disagreed with the statement 'Sportswear is for exercise only'. Consumers pay increasingly more attention to the aesthetics of their sportswear and notice the impact from the fashion industry into the sportswear collections. They like brands such as Nike and Adidas as they have been adopting fashionable designs combined with good quality. In addition, 13 out of 16 focus group participants and 9 out of 13 athleisure consumer interviewees feel they have more freedom in the choice of their sportswear and athleisure wear versus other clothing. Therefore, sportswear/athleisure can be more colorful and daring and should not be boring.

iv) Insights on Recto Verso: strengths, weaknesses & brand characteristics

The interviewees familiar with Recto Verso (6 out of 18 interviewees, 12 out 16 focus group participants) consider the brand a luxurious sportswear brand in the first place, with some athleisure items like the blazer and tracksuit. All consumers agreed that Recto Verso is a sportswear brand that can also be worn pre- and post-work-out. The blazer item is a hero product in this field and fuels the luxurious perception about the brand. For the consumers familiar with Recto Verso the main point of difference is the superior quality, especially present in the leggings and sports bras.

"When wearing a Recto Verso legging I immediately felt it was much more tight around my legs/muscles, it gives much more support and much more comfort as well. Nike also has a range of qualitative leggings, but I really feel the difference." (Focus Group II participant)

Besides, consumers value the story behind the brand and the fact that it is 100% Belgian and sustainable, but this is only a plus and not a reason to buy. The 100% made in Belgium and sustainable approach gives the consumers a feeling of purchasing a special, more unique item making them more inclined to buy the brand. Furthermore, the brand's professional advertisements and pictures are well-perceived and give a luxury perception to the brand. In addition, Recto Verso's personal service through its engagement to involve their consumers in countless events but also in product development is highly valued by its consumers.

The same consumers consider Recto Verso's low brand awareness as its main weakness. (Brand awareness: "Consumer's ability to identify the brand under different conditions, as reflected by their brand recognition and recall performance." (Silveira C. d., 2019)) Most consumers have more faith in brands that are well-known and endorsed by influencers or celebrities they know.

"The problem I see with a young Belgian brand is that I wouldn't trust it since it has no international presence, nor is it worn by influencers or athletes I follow. I need it to be 'out-there' to trigger me to wear it. I am very sensitive to marketing efforts." (Focus Group II participant)

The designs are considered different and original but not standing out enough from brands like Nike or Adidas who are offering trendy and colorful pieces as well. Therefore the designs are not a main reason for consumers to purchase Recto Verso, especially because of its high price point which is not translated into standing out designs.

4. Discussion

Concerning the brand positioning of Recto Verso, it is important to understand the particular environment in which the brand is operating. (Brand positioning: what brand managers should actively communicate to the target audience to demonstrate an advantage over competing brands. Positioning means identifying and establishing points of parity and points of difference with main competitors to achieve the right brand image (= how the brand is perceived) (Silveira C. d., 2019)) Therefore, industry segmentation of the fashion industry is advisable to define the competitive scope of the brand. (Competitive scope: where the brand should compete; It answers the question: What segments of the industry should we serve and how best should we serve them? (Corbellini & Saviolo, 2009)) To define Recto Verso's positioning, the structural segmentation of the clothing industry

will be considered along with Kapferer's six dimensions of the luxury definition and the new luxury paradigm as discussed in 2.4.1. The clothing industry can be segmented through three macro-criteria, being product end-uses, groups of clients and price. Product end-uses describe a product's functions and final destination. (Corbellini & Saviolo, 2009) Looking at Recto Verso's product functions the most important features are breathability, quick-dry, strengthening performance, quick muscle relief, creating a second skin feeling, enhancing rapid recovery and robust durability. (Recto Verso Sports, 2019) (Liebaert C. , 2019) These features are linked to Recto Verso as a luxurious sportswear brand, used for exercising both inside and outdoors. Looking at the occasions of use, the scope becomes wider as Recto Verso items are not only used as sportswear (active sport, outdoor and leisure), but also as casual wear and as a fashion statement following the athleisure trend. One of the main insights from the market research is that luxury athleisure items are mostly used as a fashion statement and not to conduct sports. This means Recto Verso is competing with both sportswear and athleisure brands.

Furthermore, the clothing industry can be segmented on the basis of two client groups, being intermediate clients (trade channels) and end customers. Concerning the intermediate clients, Recto Verso is using direct retail distribution channels by selling directly to its end consumer through its pop-up monobrand stores or own e-commerce website. The end-consumers can be segmented on the basis of several variables. These include the traditional demographics (age, gender), geographical (area of residence), socio-economic factors (social class, income), or psycho-graphics (segmentation based on people's lifestyles). (Corbellini & Saviolo, 2009) Recto Verso is targeting women mainly between 25-50 years old with a relatively high disposable income, leading a busy but healthy lifestyle and with a current focus on the Belgian market.

Finally, price is the most common way to segment markets. The market research showed athleisure is bought across categories and is perceived differently across the pyramid. Both the new pyramid, as can be seen in **Appendix I**, and Kapferer's six dimensions of luxury will be

considered to define the actual positioning of Recto Verso. The first dimension ‘a very qualitative hedonistic product made to last’ is met as both the literature and market research have proven the Recto Verso products are of superior quality, which is much related to the third dimension ‘tied to heritage, know-how and culture’. The brand is able to deliver superior quality due to its unique savoir-faire built by Liebaert Textiles over a period of more than 130 years. The second dimension ‘price that exceeds what functional values command’ is present at the level of sportswear and athleisure, but not at the level of luxury athleisure wear. Recto Verso has a relatively high price point, especially when compared to other sportswear and athleisure brands. A Nike leggings costs between €30-€70, whereas a Lululemon leggings, a brand used as a status symbol among affluent sportswear/athleisure consumers, costs €98. A Recto Verso leggings however costs €165, but a technical nylon leggings from Prada’s luxury athleisure line Linea Rossa costs €840. A luxury fashion brand like Linea Rossa far exceeds Recto Verso’s price point. Though the interviewees and focus group participants considered Recto Verso luxury, it is not at the price point of the luxury fashion brands discussed earlier. Diffusion collections are priced two or three times higher than the market average. (Corbellini & Saviolo, 2009) This would make Recto Verso athleisure compete at the level of diffusion collections. However, it is likely Recto Verso is currently competing at the level of Premium brands (priced one and a half to two times higher than the market average), where there are many local competitors and image and time to market are more important than creativity. (Corbellini & Saviolo, 2009) Recto Verso tries to meet the fourth dimension ‘offered with highly personalized services’ through its co-creation initiatives in which consumers and ambassadors are involved in product development or by involving them in their countless events. Another example is the personal note that is accompanied with a Recto Verso package delivery. The fifth dimension ‘available in restricted and controlled distribution’ is much related to the way Recto Verso deals with its client groups. The brand fully controls and restricts its distribution via its monobrand pop-up stores and own e-commerce website managed from the headquarters in Deinze. Lastly,

the sixth dimension ‘acting as a social stratifier giving the consumer a sense of privilege’ can be linked to ‘the new luxury paradigm’ business model in which both substance and status should be delivered in order to be perceived as luxury. Recto Verso is delivering substance through the high quality and comfort that comes with its products and which is recognized by Recto Verso consumers. The status however is where Recto Verso is still lacking, as the low brand awareness and therefore low brand recognition limits the function of acting as a social stratifier. Recto Verso could compete at the diffusion level considering the pyramid of the luxury fashion market, but therefore it is important the brand delivers more status as at this level athleisure is bought as a fashion statement rather than to conduct sports.

5. Recommendations to Recto Verso

After conducting the research, it is possible to translate some of the insights of both the literature and market research into practical business implications concerning the positioning that can be of use to Recto Verso’s brand management.

In order to act more as a social stratifier and deliver the status needed to be perceived as a luxury athleisure brand competing at the level of diffusion collections, Recto Verso could undertake several actions. Firstly, the brand should focus on further expanding its pool of brand ambassadors as the endorsement by influencers and celebrities would give more credibility to this new high-end sportswear/athleisure brand and this is what consumers are looking for. In this respect, Recto Verso could opt for the more expensive marketing option in which it collaborates with well-known influencers and celebrities following what luxury fashion brands Gucci and Off-White but also sportswear brands Nike and Adidas have been doing. The less expensive option would be to take a holistic guerrilla marketing approach like Lululemon, working with local brand ambassadors including yoga teachers, personal trainers and healthy lifestyle influencers to increase brand equity and brand awareness. For the luxury athleisure items, worn as a fashion statement rather than to conduct sports, fashion influencers seem to be

more advisable. Another way to increase brand awareness and build brand equity in order to increase status would be to launch a collaborative capsule collection with a well-known (Belgian) designer or brand. A collaborative capsule collection would also allow Recto Verso to deliver more unique items and designs. Furthermore, Recto Verso should focus its marketing and communication programs on its unique quality and standing-out comfort as this is not only what athleisure consumers are seeking, it is also where the brand's main strengths lie.

6. Work Project Main Limitations

One of the main limitations of this work project is the sample used to conduct the market research. The sample size is rather small and can therefore, though consistent with the research problem, not necessarily be considered representative from a statistical point of view. Furthermore, the interviewees and focus group participants all had the Belgian nationality and were mostly female Millennials and Generation Z consumers, limiting the diversity of the demographics on which the key insights and recommendations are based. To give a better representation more elderly people, but also non athleisure users and non-Belgian consumers should be considered. Another limitation is the time frame of four months in which the research needed to be conducted, which did not allow further thorough research. In addition, the blurred and complicated new market constellations formed by the entrance of athleisure and sportswear into the fashion market, impeded the research as there is limited literature on this new structure. Besides, the outcome of this direct research is only applicable to the specific brand of Recto Verso and cannot be generalized to other sportswear or athleisure brands.

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A Work Project, presented as part of the requirements for the Award of a Master Degree in International Management from the NOVA School of Business and Economics.

APPENDICES

How to position a new high-end sportswear brand, **Recto Verso Sports**, within the new paradigm of the luxury fashion market

Fien Toon Terry Decavel
Student number: 33465



A Project carried out on the Master in International Management Program /
Luxury and Fashion Marketing, under the supervision of:

Professor Catherine da Silveira
Inês Risques

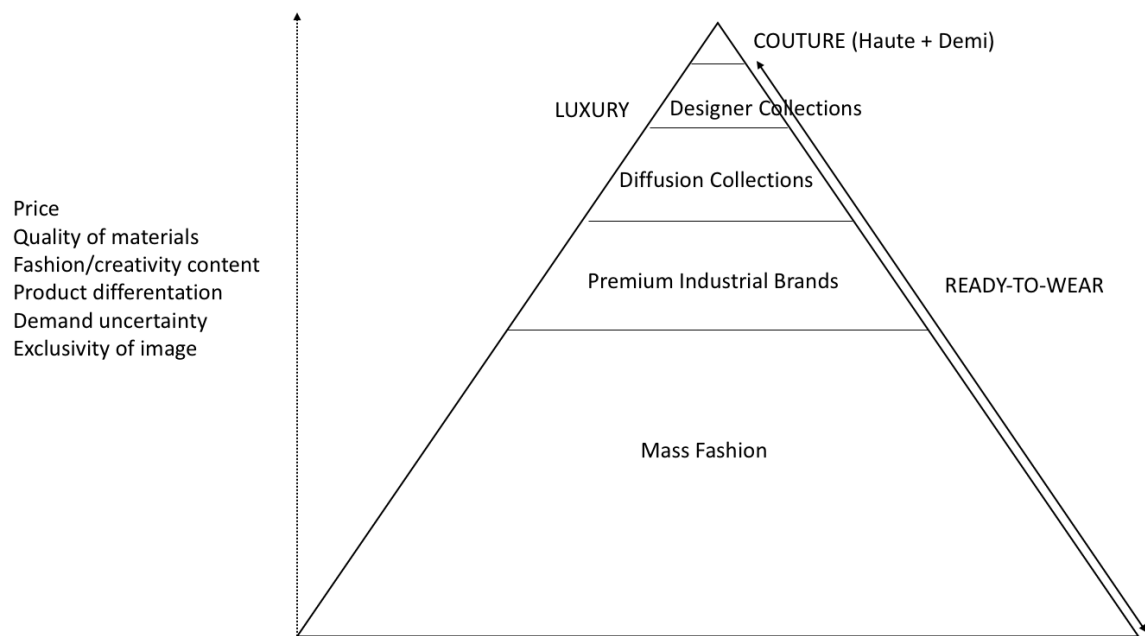
Lisbon, 3rd January 2020

Academic Year 2019-2020

Appendices

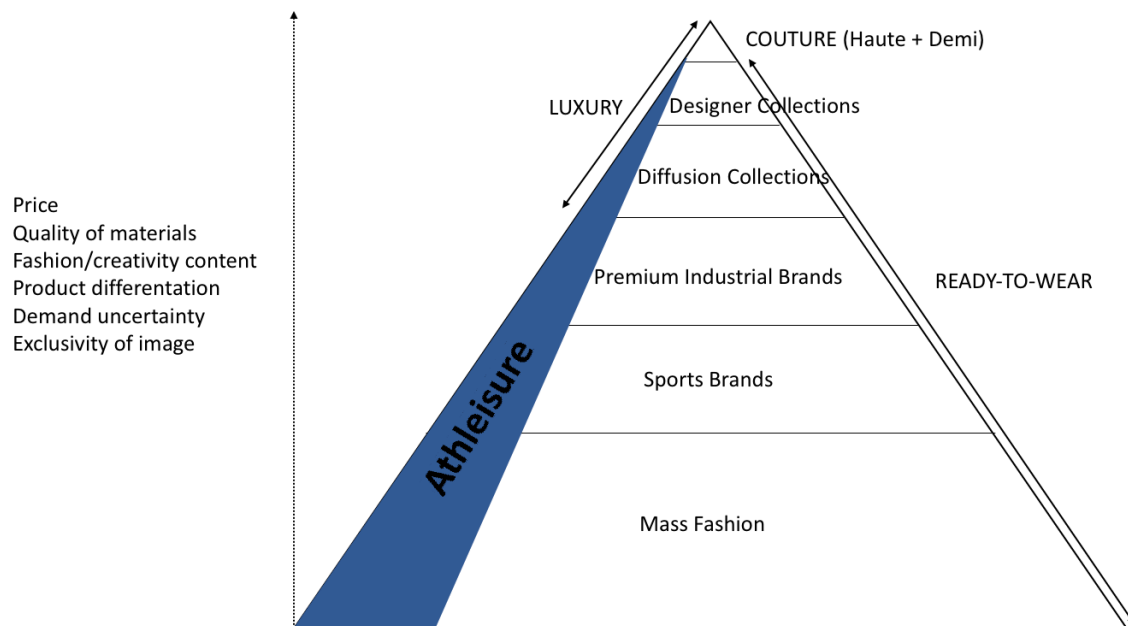
Appendix I

Figure 1 – The organization of the (luxury) fashion market



Source: (Silveira C. d., 2019) (Corbellini & Saviolo, 2009)

Figure 2 – The new organization of the (luxury) fashion market



Source: Thesis Author, based on Corbellini & Saviolo's pyramid of the fashion market, segmenting the clothing industry by price. (Corbellini & Saviolo, 2009)

Appendix II

Figure 3 – Recto Verso features

THE PERFORMANCE COLLECTION

The performance collection's cutting-edge technology was built to increase physical performance by reducing lactic-acid build-up in the muscles. it uses body heat to relieve muscle fatigue and discomfort.



BREATHABLE



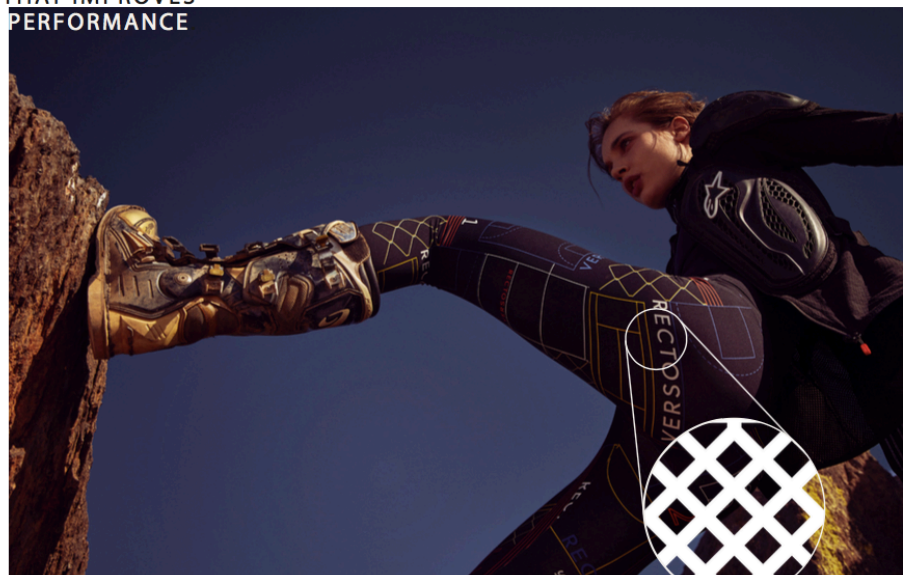
RECOVERY



COMFORT

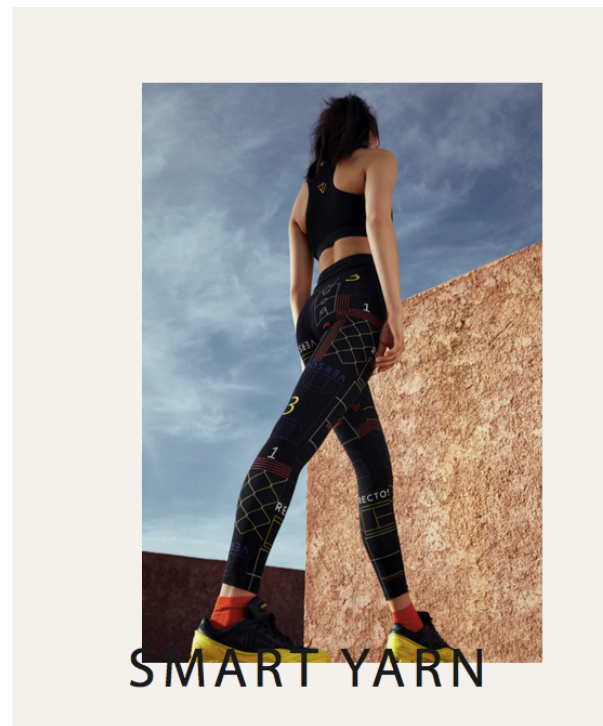
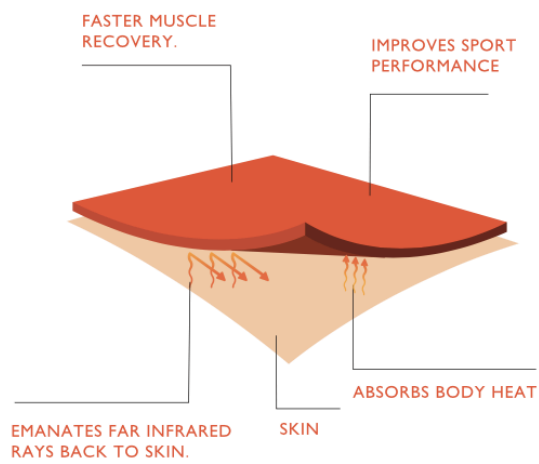


SMART YARN
THAT IMPROVES
SPORTS PERFORMANCE



EMANA
BY SOLVAY

BIOACTIVE MINERALS
EMBEDDED IN THE YARN DNA.



THE AIR COLLECTION

The air collection is our most breathable and softest fabric. The blend of lycra® fiber and super-micro polyamide yarn create an ultralight, soft and breathable fabric that's proven to be the most delicate in the world.



LIGHTWEIGHT



QUICK DRY



SOFT

Source: (Liebaert C. , 2019)

Figure 4 – Recto Verso ‘Collection One’ Campaign





Source: (Liebaert C. , 2019)

Figure 5 - Recto Verso pop-up store



Source: (Liebaert C. , 2019)

Figure 6 – Recto Verso fashion show



Source: (Liebaert C. , 2019)

Appendix III

Figure 7 – Nike x Off-White, ‘The Ten’



Source: (Morency C. , 2017) (Lyst, 2019)

Figure 8 – Nike x Off-White, Serena Williams US Open 2018



Source: (O'Connor, 2018)

Figure 9 – Nike x DJ Khaled



Nike's Air Jordan 3 Retro DJ Khaled 'Grateful' were limited edition sneakers sold for over \$10,000. Source: (Reuters, 2018)

Figure 10 – Nike x Dior



Source: (Nike News, 2019)

The limited edition Air Jordan I High OG Dior sneaker will be available globally in April 2020 in select Dior stores. (Nike News, 2019)

Appendix IV

Figure 11 – Fila x Fendi



Source: (Chitrakorn, 2018)

Appendix V

Pre-recruiting questionnaire: in-depth interview

Athleisure consumers

Filter 1: Have you purchased athleisure at least once over the past 6 months?

No: Stop interview

Yes: Conduct Interview

Luxury athleisure consumers

Filter 2: Have you purchased luxury athleisure at least once over the past 6 months?

No: Stop interview

Yes: Conduct Interview

Experts

Filter 3: Have you been confronted with the rising athleisure trend through your profession over the recent years?

No: Stop interview

Yes: Conduct interview

Influencers

Filter 4: Have you been confronted with the increasing athleisure trend through your status as influencer over the recent years?

No: Stop interview

Yes: Conduct interview

Interview guide: in-depth interview

Work Project Recto Verso

Warm up

Thank you for taking part in this research project. For the purpose of my work project as a Master in International Management at Nova School of Business and Economics I need to conduct several interviews to get insights and ideas on the topic of Athleisure. For this research I am using the technique of in-depth interviews and I would like to emphasize there are no right or wrong answers. If you give me your permission, I would like to record the interview. The interview will take approximately 30 minutes.

Explanation of 'Athleisure'.

Interview questions Consumers

- What athleisure items do you have?
- What makes you buy athleisure items? Why did you buy brand x ?
- What do you wear it for? On which occasions would you not wear this?
- Where do you seek for new athleisure items? (e.g. social media, ...)
- Do you believe influencers have an impact on your buying decision?
- If yes, could you mention some? What makes them impactful for you, why do you value their opinion?
- Do you have greater believe in a brand that has been endorsed by well-known influencers, creative directors, celebrities, ... ?

- Do you prefer buying online or offline? How does your entire customer journey look like?
- Do you think the athleisure trend is here to stay?
- How do you feel wearing athleisure in your daily life?
- Would you wear your sportswear clothing beyond the gym/sports field, ... ? Is there any overlap between your athleisure wear and sportswear?
- Do you make a distinction between athleisure or sportswear vs your other clothing in your closet?

Interview questions experts / influencers

- In what sense do you experience the rising athleisure trend?
- What type of athleisure items do you have (in your offer)?
- Did you start selling/promoting athleisure because of a rising demand?
- What do you believe makes the consumers purchase athleisure items?
- Where do you think athleisure has the most impact? (luxury, fashion, sportswear, ...)
- In what sense do you think you can influence consumers in their purchase decision?
- Do you feel like the athleisure trend is more widely accepted because of celebrities or luxury brands endorsing the trend?
- Which athleisure items do you believe are most successful?
- Do you notice any difference in the approach towards athleisure across different generations?
- Do you believe luxury athleisure is here to stay?
- What do you think consumers purchase athleisure items for? (as daily wear, ...)

Interview Code: in-depth interviews

Interview Code	Category	Basic Information	Interview Details
Expert 1	Luxury expert	Gender: Female Age: 67 Occupation: Luxury retail owner	Date: 15 th November Duration: 36 min
Expert 2	Luxury/premium expert	Gender: Female Age: 46 Occupation: Luxury/premium retail owner	Date: 15 th November Duration: 32 min
Expert 3	Luxury/premium expert	Gender: Female Age: 28 Occupation: Luxury/premium retail/brand owner	Date: 25 th November Duration: 40 min
Influencer 1	Sportswear/athleisure influencer	Gender: Female Age: 21 Occupation: model/personal trainer	Date: 13 th November Duration: 26 min
Influencer 2	Sportswear/athleisure influencer	Gender: Female Age: 28 Occupation: personal trainer	Date: 14 th November Duration: 28 min
Athleisure consumer 1	Luxury athleisure, professional athlete	Gender: Female Age: 25 Occupation: Master student/professional hockey player	Date: 18 th November Duration: 40 min
Athleisure consumer 2	Luxury athleisure	Gender: Female Age: 25 Occupation: Content Marketing	Date: 19 th November Duration: 27 min
Athleisure consumer 3	Athleisure	Gender: Female Age: 27 Occupation: psychologist/personal trainer	Date: 24 th November Duration: 31 min
Athleisure consumer 4	Athleisure	Gender: Male Age: 28 Occupation: Trade category manager	Date: 24 th November Duration: 37 min
Athleisure consumer 5	Luxury athleisure	Gender: Male Age: 43 Occupation: Luxury retail owner	Date: 12 th November Duration: 35 min
Athleisure consumer 6	Luxury athleisure	Gender: Female Age: 45 Occupation: Luxury retail owner	Date: 8 th November Duration: 30 min
Athleisure consumer 7	Luxury athleisure	Gender: Female Age: 20 Occupation: Master student	Date: 20 th November Duration: 34 min

Athleisure consumer 8	Luxury athleisure	Gender: Female Age: 20 Occupation: Master student	Date: 20 th November Duration: 32 min
Athleisure consumer 9	Luxury athleisure	Gender: Female Age: 20 Occupation: Master student	Date: 21 st November Duration: 27 min
Athleisure consumer 10	Luxury athleisure	Gender: Female Age: 25 Occupation: Master student	Date: 21 st November Duration: 29 min
Athleisure consumer 11	Athleisure	Gender: Female Age: 24 Occupation: Supply Chain Trainee	Date: 18 th November Duration: 38 min
Athleisure consumer 12	Athleisure	Gender: Female Age: 28 Occupation: Financial Analyst	Date: 8 th November Duration: 26 min
Athleisure consumer 13	Athleisure	Gender: Female Age: 25 Occupation: Doctor	Date: 22 nd November Duration: 29 min

Appendix VI

Focus group guide – Focus Group I

Date: 23rd October 2019

Focus Group size: 8

Age interval: 25-50

Focus group purpose

For the first focus group consumers and influencers (Recto Verso brand ambassadors) were selected. The main purpose of the focus group is to have a better understanding of Recto Verso's (potential) consumers concerning their attitude towards the multiple categories the brand is active in. These fields are fashion, casual/leisure wear and sportswear. The main questions to be answered are the following: 'Why would a brand be considered for a certain occasion over another brand?', 'What is the frame of reference consumers hold within each of these fields?' and 'Is it possible for a brand (Recto Verso) to successfully operate in different fields (fashion – athleisure – sportswear) at the same time?'.

Data Collection

To get first qualitative insights on how potential/existing customers define the three spaces Recto Verso is operating in, it is helpful to conduct a focus group. This method helps to gain an understanding of the different definitions, attitudes and perceptions of these fields and the brands that operate in them.

Instrument Development

To structure and lead the focus group in a suitable manner, a discussion guide was developed. This guide follows a flow that starts wide, to introduce the topic that will be discussed, and gradually narrows down to the crux of the research.

- Welcoming participants

- Moderator explains how the focus group will be conducted and what is expected from participants.
- Moderator emphasizes all answers will be treated with confidentiality and there are no right or wrong answers.
- Moderator asks for permission to record the session.

Introduction - ice-breaker

- What is your name?
- How old are you?
- Where are you from?
- What do you do for a living/ What are your hobbies?
- How do you decide what to wear in the morning?

1st field – Fashion

- When you hear the word ‘fashion’ how would you define it? What are adjectives you would use for those brands?
- Moderator asks if there are some negative associations they have with fashion
- What brands come to mind?
- Thinking of your closet do you own a particular piece of clothing you would consider as ‘fashion’? If yes, for what occasion do you wear those?
- Imagine you would wear such a fashion item or piece. What feeling would it give you?
- What is the relationship between luxury and fashion? What does luxury in fashion mean to you?
- Exercise: Think of the concept ‘fashion’ as a person/celebrity and describe why you choose that person. (moderator picks three people)

2nd field - Casual/Leisure wear

- When hearing the concept ‘Casual wear’ what comes to mind (words, brands, etc...)? *Moderator asks them to write their answers on the blackboard*

- Imagine you would wear such a fashion item or piece. What feeling does it give you?
- Does everyone agree with the statement 'I feel better when I wear casual'?
- Is Casual at work the same as casual in other circumstances?
- Do you possess items in your closet that belong to this category? When and where do you use it? For what occasion do you wear it?
- Let's imagine you take one of those casual items and there is a luxury brand (e.g. Dior) on it. Do you still consider it casual?

3rd field - Sportswear

- Moving on to sportswear: what are the words you associate with this category? What are adjectives you would use for those brands? *Moderator then writes down answers on blackboard*
- What do you look for most when you buy sportswear?
- Luxurious sportswear is that a term that exists? Do you own a piece of luxurious sportswear? Why do you consider it as luxurious? When does sportswear become luxurious?
- Where do you wear your sports apparel besides during physical exercise? Why?

Three fields intersecting

Moderator explains that statements will be read and that they should close their eyes and raise their hand if they agree with the statement. If they do not agree they keep their hands down.

1. Sportswear is for exercise only
2. Fashion can be considered sportswear
3. Sportswear should be cheap
4. Proper fashion brands are expensive
5. Sportswear can be considered fashion
6. In my perfect world I would wear some sportswear clothes to work
7. In today's world I would wear some sportswear clothes to work

- Let's discuss the statement 'In my perfect world I would wear some sportswear clothes to work'. Why only in your perfect world?
- What do the following sentences bring to mind? Which brand could use this in their communication? (write on blackboard)
 - Science-infused fashion
 - Designer tech fabrics
 - Performance fashion
- If a brand would communicate this what would its consumer lifestyle be like?

RectoVerso and the intersection it is trying to create

- Looking back at the three category's we discussed where would you situate RectoVerso?

Focus group guide – Focus Group II

Date: 13th November 2019

Focus Group size: 8

Age interval: 25-50

Focus group purpose

The purpose of the second focus group is to get a better understanding of Recto Verso consumers' (and influencers') perceptions and evaluations of sportswear brands along with the target audience's purchase behavior.

Data Collection

To get first qualitative insights on how Recto Verso is perceived by (potential/existing) customers and test the level of knowledge those consumers hold about the brand, it is helpful to conduct a focus group. This method helps to gain a first overview of the brand from the consumer's point of view and can provide crucial information for the research development.

Instrument Development

To structure and lead the focus group in a suitable manner, a discussion guide was developed. During the construction of the guide, it is important to motivate the discussion questions in a way that would motivate participants to provide honest answers and opinions about the topics at hand.

- Welcoming participants
- Moderator explains how the focus group will be conducted and what is expected from participants.
- Moderator emphasizes all answers will be treated with confidentiality and there are no right or wrong answers.
- Moderator asks for permission to record the session.

Introduction - ice-breaker

- What is your name?

- How old are you?
- Where are you from?
- What do you do for a living/ What are your hobbies?

Questions:

- How do you decide what to wear for your sporting activities? What are the things you pay attention to?
- What about your outfits? Do you have a specific outfit per sport activity?
- What is the reason for the need to wear something new for a competition or event?
- What is sports for you? What does it mean to you?
- What is your biggest frustration with your sportswear?
- Short vs Legging when do you go for one and when do you go for the other?
- Finish the following sentence: Sportswear for me is ...
- Finish the following sentence: Sportswear for me is not ...
- What sportswear brands do you buy/own?
- Where is the difference for you between Nike & adidas?
- And what is the difference with Recto Verso? Are there similarities?
- If the Brand Recto Verso would be a person, how would you describe her (personality, appearance, hobbies, ...)?
- Would you be friends with her?